

U. S. TREASURY DEPARTMENT
Internal Revenue Service
Washington 25, D. C.

Alcohol and Tobacco Tax Division
Industry Circular No. 55-32

September 21, 1955

Proposed Amendment of 26 CFR Part 194, Liquor
Dealers, as Applicable to Records Kept by
Wholesale Dealers in Distilled Spirits

Wholesale Dealers in Liquors and Others Concerned:

1. This circular is being issued to provide information to wholesale dealers in liquors concerning the effects of a Treasury decision amending the Liquor Dealers regulations (26 CFR Part 194) as indicated in a notice of proposed rulemaking published in the Federal Register on August 9, 1955. It is hoped that the Treasury decision may be issued in sufficient time to become effective on October 1, 1955 to permit dealers to change over to the new system of recordkeeping and reporting prior to their seasonal upswing in business. Consequently, it is felt that the major changes should be publicized in advance to permit an orderly transition from the old to the new methods of recordkeeping and reporting.

2. Under the amendments of the regulations, as proposed when the Treasury decision becomes effective, you as a wholesale dealer in liquors must:

(A) Prepare, daily, commercial records of the physical receipt and disposition of distilled spirits and a recapitulation record showing the total wine gallons of distilled spirits received and disposed of during the day. No specific form of record has been devised. Each dealer may devise his own method of keeping the prescribed commercial records of receipt and disposition on the basis of the requirements of the Treasury decision. The record of receipt prescribed by the Treasury decision shall show (a) name and address of the consignor, (b) date of receipt, (c) brand name, (d) name of producer or bottler, (e) kind of spirits, except that this may be omitted if the dealer keeps available for inspection a separate list or record identifying "kind" with the brand name, (f) quantity actually received (showing number of packages, if any, and number of cases by size of bottle, and explaining any shortage, breakage, leakage, or other difference from the quantity shown on the commercial papers covering the shipment), and (g) serial numbers of packages and cases, unless such serial numbers are available on the consignor's invoice or attachment thereto. The prescribed record of disposition shall show

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(a) name and address of consignee, (b) date of disposition, (c) kind of spirits, except that this may be omitted if the dealer keeps available for inspection a separate list or record identifying "kind" with the brand name, (d) brand name, (e) number of packages, if any, and number of cases by size of bottle, and (f) serial numbers of the cases or packages, unless such serial numbers are shown on commercial papers attached thereto.

(B) Prepare and submit, on Forms 52A and 52B, daily or periodic reports, prepared from your prescribed commercial records, of the physical receipt and disposition of distilled spirits, unless you are relieved of this requirement by your assistant regional commissioner, Alcohol and Tobacco Tax, pursuant to an application filed by you. Any dealer who desires to be so relieved should file such application as soon as possible, preferably by October 1, 1955.

(C) Submit a monthly report on Form 338, on or before the 10th day of the following month, showing the total wine gallons of distilled spirits (a) on hand at the beginning of the month, (b) received during the month, (c) disposed of during the month, and (d) remaining on hand at the end of the month.

3. In the event that you should wish to establish and maintain, as your prescribed commercial record, a book record of receipts and dispositions, by using Forms 52A for receipts and Forms 52B for dispositions, you may do so provided these forms are modified by you to include a column, in each, for the brand names of the distilled spirits received and disposed of. Column 6 on each form may be used for that purpose. However, if you are using mechanical office equipment for posting Forms 52A and 52B and there is no immediate provision for recording brand names thereon and you desire to continue using such forms and equipment you may then file a letter-head application (in duplicate) with your assistant regional commissioner before October 1, 1955 requesting temporary permission to dispense with listing brand names on the forms posted by machine provided your application shows that you will provide a suitable system for keying or cross-referencing entries on the forms so that they may be traced to particular invoices of purchase or sale which will show the brand names.

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4. Should any of you desire to continue the present system of entering receipts and dispositions of distilled spirits in Record 52 you may do so without any further action on your part, provided you modify the Record 52 to reflect the brand names of the spirits reported therein. However, the filing of periodic reports on Forms 52A and 52B will be unnecessary where the assistant regional commissioner has, pursuant to application, relieved you of that requirement. Where any of you desire to continue maintaining Record 52 and encounter mechanical problems of posting brand names, the procedure suggested in paragraph 3 may be followed.

5. You will not be required to maintain records or render reports with regard to transactions in distilled spirits warehouse receipts or third party transactions after the effective date of the Treasury decision.

6. A copy of the Treasury decision will be furnished you, upon application, by your assistant regional commissioner, Alcohol and Tobacco Tax, as soon as copies are available for distribution.

7. Inquiries concerning this industry circular should refer to the number thereof and to the symbols O:AT:PP:R.


Dwight E. Avis
Director, Alcohol and Tobacco Tax Division